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April 28, 2017

**VIA, ELECTRONIC FILING**

The Honorable Jocelyn Boyd  
Chief Clerk and Administrator  
The Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: • **Docket Number 2015-362-E**  
• **Comments**

Dear Ms. Boyd:

The South Carolina Solar Business Alliance, through counsel, files Responsive Comments to the Workshop presentations in Docket 2015-362-E. These Comments are filed pursuant to the Standing Hearing Officer Directive, Order No. 2017-18-H, dated March 13, 2017. The South Carolina Solar Business Alliance appreciates the opportunity to file Comments in this matter.

All parties of record have been served with this filing. Please notify the undersigned if you there is anything else you may need.

Respectfully Submitted,

/S/\_\_\_\_\_  
Timothy F. Rogers,  
Richard L. Whitt.

RLW/cas

**COMMENTS OF BRET J. SOWERS**  
**ON BEHALF OF**  
**SOUTH CAROLINA SOLAR BUSINESS ALLIANCE**  
**DOCKET NO. 2015-362-E**  
**APRIL 28, 2017**

Pursuant to Commission Orders No. 2016-658 and 2017-18-H, the South Carolina Solar Business Alliance (“SBA”), by and through counsel, hereby submits these comments regarding the information and opinions presented at the Interconnection Workshop convened by the Commission on December 15, 2016.

**A. Introduction.**

The SBA greatly appreciates the effort and attention of the Commission and the South Carolina Office of Regulatory Staff to ensure that the goals of Act 236 are met, and that South Carolina has efficient and effective procedures for the interconnection of distributed generation resources. Such procedures are crucial to paving the way for the emergence of South Carolina as a regional leader in clean energy development. The SBA also commends the efforts of both Duke Energy and SCE&G as they strive to meet the requirements of the Interconnection Standard.

SBA submits these Comments to provide additional perspective on a few topics discussed by Duke’s witnesses at the December 15, 2016 Interconnection Workshop. These include: (1) Duke’s performance in meeting the requirements of the Revised South Carolina Interconnection Standard (“the Interconnection Standard”); (2) the adequacy of the company resources Duke has devoted to utility-scale interconnection in South Carolina; and (3) Duke’s implementation of its Circuit Stiffness Review (“CSR”) and Line Voltage Regulator (“LVR”) policies.

## **B. Duke's Compliance with the Interconnection Standard.**

Duke's witnesses at the Interconnection Workshop testified positively about the Company's performance in the interconnection of smaller net-metered customers, and asserted that the Company is "striving" to meet the timing requirements of the Interconnection Standard, as well as Duke's own commitment (and this Commission's Order) to reduce System Impact Study completion times for projects with distribution system impacts by 10%. And Duke's *aggregate* performance on interconnection, factoring in the interconnection of NEM customers, appears to have been good. (See Transcript of Dec. 15, 2016 Interconnection Workshop ("Tr.") at 26; Duke Energy Presentation Slide 15.) But while the SBA appreciates the efforts Duke has made to seek compliance with the requirements of the Interconnection Standard, SBA submits that the Company's performance on the interconnection of utility-scale generators has not improved significantly since approval of the revised standard.

It is not possible to paint a complete picture of Duke's interconnection performance over the last year based on the information presented by Duke at the Workshop and the queue information the company makes publicly available. However, based on this limited information, and on SBA members' recent experience, it does not appear that Duke has made significant improvements in interconnection times for utility-scale solar generators. For example, as Witness Gajda stated at the workshop, out of the ten System Impact Studies completed by Duke in 2016, three (i.e. 30%) took more than 75 days – well above the 60-day default requirement under the Interconnection Standard and the expedited requirement called for in Order 2016-191 (Tr. at 28). Duke's posted information on its South Carolina interconnection queues shows that both DEC and DEP have dozens of utility-scale interconnection requests that have been pending since 2015.<sup>1</sup> And dozens of interconnection requests in North Carolina and South Carolina have been stalled since October 2016, when Duke implemented its new LVR Policy, discussed below.

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<sup>1</sup> DEC and DEP's "queue snapshots" for October 2016 – the most recent information the company has made publicly available – indicates that as of that time, DEC had at least 30 and DEP had at least 50 utility-scale interconnection requests dating back to 2015 that were in progress and as yet uncompleted. See [https://www.duke-energy.com/\\_/media/documents/for-your-business/dec-queue-snapshot-sc.xlsx?la=en](https://www.duke-energy.com/_/media/documents/for-your-business/dec-queue-snapshot-sc.xlsx?la=en) (DEC); [https://www.duke-energy.com/\\_/media/pdfs/for-your-business/generate-your-own-renewable/sc/interconnection-queue/dep-queue-snapshot-sc.pdf](https://www.duke-energy.com/_/media/pdfs/for-your-business/generate-your-own-renewable/sc/interconnection-queue/dep-queue-snapshot-sc.pdf) (DEP).

More generally, SBA members have observed that Duke has not been noticeably more responsive to customer needs since the approval of the Interconnection Standard. The Commission should examine closely Duke's general claims that it is "striving" to meet the requirements of the Interconnection Standard.

### **C. Duke's Interconnection Resource Commitments.**

Duke's Witness Martin cited several factors as determining the time required to process an interconnection request: queue volume, interdependency of the project, the project's point of interconnection, and "business and communications" issues. (Tr. at 29-31.) Omitted from this list is another factor that has a huge impact on interconnection processing times: the amount of resources devoted by the Company to processing interconnection requests.

Without a doubt, Duke has invested significant resources to interconnection. Mr. Martin discussed, in addition to new software tools being deployed by the company, the staffing changes Duke has made or is making to handle the recent increase in volume of interconnection requests. These include increasing the Engineering Interconnection Team from 10 to 17 employees, and increasing Interconnect Operations from 10 to 13 individuals. (Tr. at 34-35) The five-member Distribution Planning team and the two-member Transmission Planning team are to remain the same size. Overall, this represents an increase in the staff dedicated to interconnection request of about 37%.

At the same time, Duke reports that the number of renewable generators (including both net metering customers and QFs) interconnected to the Company's distribution system increased nearly 1800 percent from 2011 to 2016, and continues to grow rapidly. (Tr. at 57.) The number of QFs seeking interconnection on Duke's distribution system has grown from 4 in 2014 to 133 as of September 2016, and the number of QFs seeking transmission interconnection has increased from zero in 2014 to 15 in 2016. (Id. at 58-59). Duke also reports that the complexity of utility-scale interconnections has increased, for reasons including the Company's development of its new CSR and LVR Policies.

SBA and its members appreciate the efforts Duke has made in accommodating the increase in interconnection requests that resulted from Act 236 and from the growth of South Carolina's burgeoning solar industry. However, SBA submits that, considering the magnitude of the increase in interconnection requests and the direct relationship between staffing levels and interconnection performance, a 37% staffing increase is far too small to accommodate the increased demand for interconnections, and Duke should consider more dramatically expanding its interconnection staff.

#### **D. Changes to Duke's Interconnection Policies.**

At the Workshop, Witness Gajda discussed two significant changes Duke has made to its generator interconnection policies in the last year: (1) the incorporation of CSR study in the System Impact Study Process, and (2) the introduction of the new LVR Policy, which impacts generators that propose to interconnect to a distribution line "downstream" of an existing or planned line voltage regulator. Witness Gajda indicated that these policies are a response to technical challenges posed by the widespread integration of distributed generation on Duke's distribution network, and that the implementation of these policies could add significantly to the cost of interconnection. The LVR policy, in particular, initially impacted a very large proportion of projects in the queue (possibly more than half), and promises to increase interconnection costs so much that most if not all impacted projects would be non-feasible.

SBA is not challenging either the factual or legal basis for these policies here.<sup>2</sup> However, SBA does take issue with the *manner* in which the Company rolled out these new policies, which has caused unnecessary conflict, confusion, and uncertainty in the solar industry, and has resulted in significant (and unnecessary) expense and delay in the interconnection of a large number of impacted projects.

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<sup>2</sup> The CSR Policy is being challenged in a complaint proceeding currently pending before the North Carolina Utilities Commission, and in the NC Commission's interconnection docket. *See In the Matter of Generator Interconnection Standard, Tariffs and Contract Forms*, N.C.U.C. Docket No. E-100 Sub 101.

Duke announced the implementation of the CSR and LVR Policies to the development community without prior consultation with the solar industry or any advance notice that the policies would be going into effect.<sup>3</sup> When the CSR Policy was announced, it was intended to apply not only to new interconnection requests, but to every project currently in the queue that did not have a final Interconnection Agreement. The LVR policy also affects currently-pending projects, although it appears limited to projects that have not advanced past the system impact study phase.

Some developers impacted by the CSR Policy, and then by the LVR Policy, initiated disputes with Duke under the dispute resolution procedures of the Interconnection Standards in both South Carolina and North Carolina. In both cases, the parties engaged in productive discussions and reached some accommodation. With respect to CSR, a settlement was reached under which Duke applied the CSR policy prospectively, while certain projects at advanced stages of development were allowed to pass the CSR screen as long as they implemented certain measures to address Duke's power quality concerns.<sup>4</sup>

With respect to the LVR Policy, which was announced in October 2016, disputes are still pending. Duke has made changes to the policy that would result in significantly fewer projects being impacted, and has attempted to provide information to developers on how they would be impacted by these policy changes. Nevertheless, since Duke announced the LVR policy, the interconnection of projects initially impacted by the policy (even those that will now be unaffected) has stalled completely. These projects have simply "lost" six or more months of time from their development schedules.

In addition to these interconnection delays, both Duke and the solar industry have incurred significant legal and other expenses in resolving disputes over these policies. These disputes and delays might have been avoided if Duke had consulted with developers or sought input from the Commission or ORS before implementing these policies. SBA submits that, to the extent Duke contemplates more wide-ranging changes to its interconnection policies, it do so within the context of a Commission docket or some form of stakeholder engagement process.

Respectfully submitted, this the 28th day of April 2017.

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<sup>3</sup> Duke had had discussed some of the technical issues motivating the LVR policy in previous interconnection stakeholder meetings, but did not provide prior notice before the policy went into effect.

<sup>4</sup> Settlement Agreement, Docket No. E-100 Sub 101 (N.C.U.C. Aug. 29, 2016).

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2015-362-E**

IN RE: Joint Application of Duke Energy )  
Carolinas, LLC, Duke Energy )  
Progress, LLC and South Carolina )  
Electric & Gas Company for Approval )  
of the Revised South Carolina )  
Interconnection Standard. )

**CERTIFICATE OF SERVICE**

I, Carrie A. Schurg, an employee of Austin & Rogers, P.A., certify that I have served the Comments of Bret J. Sowers on behalf of South Carolina Solar Business Alliance, Docket Cover Sheet, Correspondence to Jocelyn Boyd and this Certificate of Service, as indicated below, via electronic mail on April 28, 2017.

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/S/ \_\_\_\_\_  
Carrie A. Schurg

April 28, 2017  
Columbia, South Carolina